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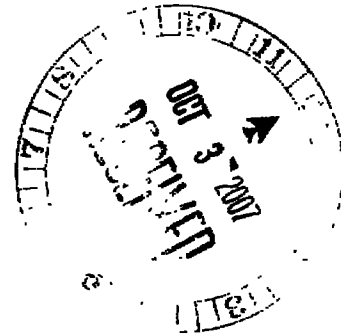
**ATEL**  
Leasing Corporation

SURFACE TRANSPORTATION BOARD

**VIA UPS 2<sup>ND</sup> DAY AIR**

October 1, 2007

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20024



**Re: Document for Recordation:**  
**1. Memorandum of Lease**

Dear Mr. Williams:

Enclosed for recordation are (1) original and (2) copies of Memorandum of Lease, dated as of August 10, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: ATEL Capital Equipment Fund VII, L.P.  
600 California Street, 6<sup>th</sup> Floor  
San Francisco, CA 94108

Lessee: Ferrous Processing and Trading Company  
3400 East Lafayette Street  
Detroit, MI 48207

A description of the railroad equipment covered by the enclosed document is:

Seventy-Five (75) Used 52' Length, 5'6" Sides, 100 Ton, 286,000 Pound Capacity Mill Gondola Railcars bearing road numbers ZVBX 97001 through ZVBX 97075 inclusive.

A short summary of the document to appear in the index as follows:

Memorandum of Lease

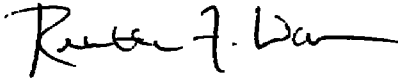
Mr. Vernon A. Williams  
Surface Transportation Board  
October 1, 2007  
Page 2

Also, enclosed is ATEL check no. 003323 in the amount of \$35.00 to cover the recordation fee.

Kindly return two (2) stamped copies of the enclosed documents to the undersigned.

Should you have any questions, please do not hesitate to call me at 415.616.3427. Thank you for your assistance.

Sincerely,



Renette F. Warner  
Senior Contract Administrator

/rfw  
Enclosures

RECORDATION NO 27185 FILED

OCT 03 07

3-07 PM

## MEMORANDUM OF LEASE

## SURFACE TRANSPORTATION BOARD

This **MEMORANDUM OF LEASE** is made and entered into as of August 10, 2006, by and between **ATEL CAPITAL EQUIPMENT FUND VII, LP** ("ATEL"), a California limited partnership located at 600 California Street, 6<sup>th</sup> Floor, San Francisco, CA 94108 and **FERROUS PROCESSING AND TRADING COMPANY**, ("FERROUS"), a Michigan corporation, located at 3400 East Lafayette, Detroit, MI 482072.

## WITNESSETH

ATEL, as Lessor, and FERROUS, as Lessee, entered into Master Lease Agreement (the "Lease Agreement") dated as of January 5, 2006 and Lease Schedule No. 1 thereto dated as of January 5, 2006 as amended by Amendment No. 1 to Lease Schedule No. 1 to Master Lease Agreement dated as of August 10, 2006, which incorporates the terms and conditions of the Lease Agreement and together with the Lease Agreement is the ("Lease"). The Lease covers seventy-five (75) used 52' length, 5'6" sides, 100 ton, 286,000 pound capacity mill gondola railcars bearing car mark numbers ZVBX 97001 through ZVBX 97075 inclusive ("Cars")

The base Term with respect to each Car that delivered in March, 2006 was April 1, 2006 and with respect to the remainder of the Cars, the first day of the month following the Delivery Date for such Cars with the base Term ending not later than March 31, 2013 for all Cars, unless terminated in accordance with the terms of the Lease. Lessee has the option to extend the Term for five (5) additional twelve (12) month terms upon ninety (90) days prior written notice given prior to the expiration of the base Term or Extended Term, as applicable. Upon expiration of the base Term, the Lease shall automatically renew for consecutive one-month terms until Lessee provides ninety (90) days advance written notice to Lessor of its intent to renew or terminate the Lease.

This Memorandum has been executed and delivered by the parties for the purpose of recording and giving notice of the Lease.

IN WITNESS WHEREOF, ATEL and FERROUS have executed this instrument as of the date first above written.

**ATEL CAPITAL EQUIPMENT FUND  
VII, LP**

by: ATEL Financial Services, LLC, its GP

by: ATEL Leasing Corporation, its Mgr

By

Name Vasco H. Morais  
Executive Vice President

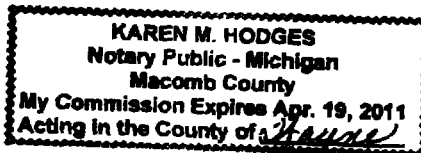
Title: \_\_\_\_\_

**FERROUS PROCESSING AND  
TRADING COMPANY**

By

Name: Rob BakstichTitle: VP SALES & MARKETINGATEL LEGAL DEPARTMENT  
APPROVED  
AS TO FORMBY: [Signature]

(STATE OF Michigan )  
 (COUNTY OF Wayne ) SS



On this 11 day of September, 2006, before me, KAREN M. HODGES, the undersigned Notary Public, personally appeared ROB BAKOTICH, personally known to me to be the person whose name is subscribed to this instrument and acknowledged to me that he executed the same on such day in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

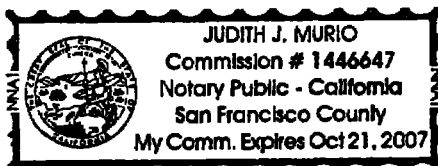
Karen M. Hodges  
 Notary Public

(seal)

(STATE OF CALIFORNIA )  
 (COUNTY OF SAN FRANCISCO ) SS.

On this 17<sup>th</sup> day of September, 2006, before me, JUDITH J. MURIO, the undersigned Notary Public, personally appeared WESCOFF MURIO, personally known to me to be the person whose name is subscribed to this instrument and acknowledged to me that he executed the same on such day in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



(seal)

Judith J. Murio  
 Notary Public

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**ATEL CAPITAL EQUIPMENT FUND  
VII, LP**

by: ATEL Financial Services, LLC, its GP  
by: ATEL Leasing Corporation, its Mgr.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FERROUS PROCESSING AND  
TRADING COMPANY**

By:  \_\_\_\_\_

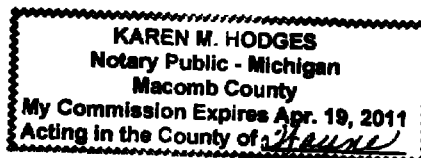
Name: Rob Bakstich

Title: JP SALES & MARKETING

ATEL LEGAL DEPARTMENT  
APPROVED  
AS TO FORM

BY: 

(STATE OF Michigan )  
(COUNTY OF Wayne ) SS.



On this 11 day of September, 2006, before me, KAREN M. HODGES, the undersigned Notary Public, personally appeared Rob BAKOTICH, personally known to me to be the person whose name is subscribed to this instrument and acknowledged to me that he executed the same on such day in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Karen M. Hodges  
Notary Public

(seal)

(STATE OF CALIFORNIA )  
(COUNTY OF SAN FRANCISCO ) SS.

On this \_\_\_\_\_ day of \_\_\_\_\_, 2006, before me, \_\_\_\_\_, the undersigned Notary Public, personally appeared \_\_\_\_\_, personally known to me to be the person whose name is subscribed to this instrument and acknowledged to me that he executed the same on such day in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

(seal)